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US BANKRUPTCY COURT  
DISTRICT OF DELAWARE

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:  
FTX TRADING LTD., et al.,  
Debtors.

Chapter 11  
Case No. 22-11068 (KBO)  
(Jointly Administered)

Re: D.I. 31148

**OBJECTION TO THE DEBTORS' MOTION TO IMPLEMENT RESTRICTED  
JURISDICTION PROCEDURES**

Submitted by: BaCui Sun, FTX.com Creditor and Pro Se Claimant

**1. Preliminary Statement**

I, BaCui Sun, a verified FTX.com creditor, respectfully object to the Debtors' Motion seeking to classify China and 48 other jurisdictions as "Restricted Foreign Jurisdictions." If granted, the motion would deprive me and countless others of distributions lawfully owed under the confirmed Plan of Reorganization, unless we satisfy arbitrary legal hurdles or forfeit our claims altogether.

This proposal is:

- Legally unfounded
- Factually unsupported
- Morally indefensible
- And potentially in violation of basic constitutional and international human rights norms.

**2. Equal Distribution Rights Apply Under U.S. Bankruptcy Law**

Under 11 U.S.C. §1123(a)(4), a Chapter 11 plan must "provide the same treatment for each claim or interest of a particular class." The motion, if approved, would create unlawful discrimination between creditors in the same class—based solely on nationality or residence—by imposing different requirements and outcomes.

The Celsius and Mt. Gox cases confirm that bankruptcy courts can and have distributed fiat or crypto to claimants in China and similarly situated countries. The Debtors offer no convincing reason why they cannot do so here.

**3. There Are Lawful, Safe, and Practical Alternatives**

The Debtors argue that crypto-related distributions may expose the Trust to legal risk. But this is a strawman:

- The Plan uses USD-denominated claims, payable via standard wire transfers—including to Chinese residents via Hong Kong intermediaries.
- Crypto is not the only option. In Celsius, USD was sent via wire without legal challenge.
- No evidence has been submitted that Chinese authorities would prosecute or penalize any party for a lawful claim distribution.
- The Debtors have not engaged with Chinese counsel, foreign regulators, or offered alternatives (like escrow, conversion to fiat, or trustee-administered reissuance), despite having nearly three years.

The U.S. Bankruptcy Code requires feasible, good-faith implementation of a plan under §1129(a)(3). This motion is neither.

#### **4. Property Rights Are Human Rights**

Article 17 of the Universal Declaration of Human Rights states:

“Everyone has the right to own property... No one shall be arbitrarily deprived of his property.”

The Fifth Amendment of the U.S. Constitution guarantees:

“No person shall be... deprived of life, liberty, or property, without due process of law.”

This motion authorizes arbitrary forfeiture of lawful claims based only on geography—with no finding of wrongdoing, no judicial process, and no opportunity to appeal. It would strip foreign creditors of vested economic rights, effectively punishing them for where they live.

#### **5. Relief Requested**

I respectfully urge this Court to:

1. Deny the motion in its current form;
2. Direct the Debtors to explore alternative distribution methods for affected countries, including fiat-only channels or jurisdiction-specific guidance;
3. Appoint a special master or independent foreign legal consultant to evaluate the actual risks on a case-by-case basis;
4. Ensure that equal protection, good faith, and due process are honored in the treatment of all Class 5 creditors, regardless of nationality.

#### **Conclusion**

FTX’s collapse was global. Its restructuring must not become an instrument of selective exclusion, legal opportunism, or economic disenfranchisement. According to CEO John J. Ray III’s testimony to the U.S. House Financial Services Committee on December 13, 2022, out of more than 9 million customer accounts, only “a couple hundred” were associated with U.S.-based individuals.

In other words, over 98% of FTX.com users were foreign, yet it is those same users now most at risk of being denied compensation.

To rubber-stamp this motion would be to legitimize one of the most troubling aspects of this bankruptcy: that a global customer base is being systematically excluded from distributions through procedural and jurisdictional maneuvering—all within a U.S. legal forum where they have little to no voice.

This Court must act to preserve the integrity of U.S. bankruptcy law and uphold the principles of global financial justice.

Respectfully submitted,

BaCu' Sun

koboy000@gmail.com

TaJiangBeiLu 9 Hao, TaTouSun Cun, DongShi Zhen, JinJiang Shi

QuanZhou Shi, Fujian Province

China, 362200

FTX.com Unique Customer Code: 266433

Dated: July 08, 2025

CERTIFICATE OF SERVICE

I, BaCui Sun, hereby certify that on July 8, 2025, I caused a copy of the foregoing Objection to the Debtors' Motion to Implement Restricted Jurisdiction Procedures to be served via electronic mail upon the following parties:

Sullivan & Cromwell LLP

- James L. Bromley – bromleyj@sullcrom.com
- Alexa J. Kranzley – kranzleya@sullcrom.com
- Andrew G. Dietderich – dietdericha@sullcrom.com
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Landis Rath & Cobb LLP

- Adam G. Landis – landis@lrclaw.com
- Kimberly A. Brown – brown@lrclaw.com
- Matthew R. Pierce – pierce@lrclaw.com

I certify under penalty of perjury that the foregoing is true and correct.

Dated: July 8, 2025

China

BaCui Sun

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DISTRICT OF DELAWARE



# 档案袋

To:

Honorable Judge Karen B. Owens

United States Bankruptcy Court

District of Delaware

824 North Market Street, 3rd Floor

Wilmington, Delaware 19801

USA

Re: Objection to the Designation of China as a “Restricted Foreign Jurisdiction”

In re: FTX Trading Ltd., et al.,

Case No. 22-11068 (KBO)



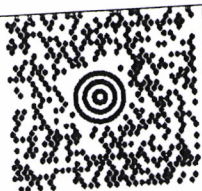
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